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general; beginning with chapter viii, the book treats of foundry practice in particular. Efficient organization, cost keeping and other accounting problems, routing, stock keeping, prompt deliveries, and analysis of operations are among the topics treated.

Although valuable and suggestive, especially to foundry men, this book can not be considered an important contribution to the science of management. The writer belongs to the Harrington Emerson school of efficiency engineers; he apparently believes in time-studies as a means of determining standards, and in bonus or premium methods of wage payment, but nowhere does he discuss these matters, or give the results of their use in foundries or machine shops. The treatment of accounting problems, which is elementary, serves a useful purpose, as, for instance, in the discussion of depreciation in chapter iii. The distribution of foundry expense burden is treated at length: apportionment on the basis of "direct labor" is proved to be far better than on the basis of "tonnage," but a combination of the two, with some elements of expense burden distributed on each basis, is shown to be preferable. The reasoning is conclusive, but inasmuch as foundry production is comparatively simple, the argument offers little help to cost accountants who are struggling with more intricate problems. The book is of value principally in pointing out the need of better methods in general, and in the very excellent analysis and recommendations for the improvement of foundry practice, which is really the main purpose of the book.

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LYON, W. H. *Capitalization*. Pp. xi, 296. Price, \$2.00. Boston: Houghton, Mifflin Company, 1912.

This latest contribution to corporation finance is unquestionably a valuable addition to that subject. In chapter i on "The Instruments," Mr. Lyon sounds the keynote of the volume in stating that the various forms of corporation securities are largely determined by "the desire to apportion the elements of risk, income, and control involved in an enterprise" (p. 2).

The two most interesting chapters of the volume are the second and third. In the second, entitled "Trading on the Equity," the term equity is used as meaning "any ownership in a property that assumes a larger risk than some other interest." Safety or danger in the "equity" depends upon the interplay of relations of gross income, operating expenses, and interest charges, and the range of fluctuations of "gross" and "operating." This gives rise to two different kinds of risk; the "business risk," which depends upon "the amount and range of fluctuation of gross income in relation to the amount and range of fluctuation of the percentage of the gross income used in operating expenses," and the "financial risk," which depends upon the fluctuation of net earnings in relation to the amount that interest charges consume (p. 54). The character of the equity is then discussed upon this analytical basis with the use of mathematical examples and numerous illustrative references to the securities of particular corporations.

Even more interesting than the second chapter is the third on "Watered Stock." In essence this chapter is nothing more nor less than a defense of that much maligned device of the financial world. The basis of the defense may be found in a sentence in the author's own words:

"Watered stock can take a very useful and entirely proper part in corporation finance through affording a still further means than those dealt with in the earlier chapters of effecting divisions and recombinations of the incidents of ownership—income, control, and risk" (p. 88).

Regarding the other chapters, chapter v on Amortization discusses the subject under the heads of serial repayment, sinking fund, purchase of own securities and purchase of other securities than its own. These plans are tested by a set of six questions too long to be enumerated but which as applied to the methods mentioned furnishes the basis for a comprehensive and enlightening discussion. Chapter vi on Form deals with such considerations as Interest Rate, Term, Right to Redeem, Interest Dates, Domicile, etc. Chapter vii, The Market and the Price, treats as the title indicates of market conditions. The final chapter, Capitalization and the State, discusses at length the bases of state regulation, theories of capitalization and, specifically, the attitude of several states.

So much may be said for the substance of the volume. To the reviewer the book appears to be as good if not a better treatment of investments than it is of corporation finance. Any volume which discusses so comprehensively the distribution of the elements of risk, income and control with the citation of scores of illustrations taken from the issues of well-known corporations can be studied with great profit by the average investor. The reviewer has only one adverse criticism. This is that the discussion of watered stock throws too far into the background the fact that issues of this type are only too often not governed by the considerations mentioned by Mr. Lyon.

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McCONNELL, ROY M. *Criminal Responsibility and Social Restraint*. Pp. 339. Price, \$1.50. New York: Charles Scribner's Sons, 1912.

"Society has schools for the ignorant. It has accident stations, ambulance corps, dispensaries, and hospitals for the injured and diseased. It has special educational institutions for the feeble-minded, the blind, the deaf, and the dumb. It has homes for the aged, the infirm and the incapacitated. It has asylums and hospitals for the epileptic and the insane. But for the criminals, society has detective agencies, bureaus of criminal identification, police, judges, jailers, and executioners, houses of correction, penal colonies, jails, penitentiaries, the gallows, and the electric chair." In this piquant fashion the author raises the question of the different basis of treatment. The explanation is to be found in the current theories of criminality, viz., that crime is the deliberate choice of evil on the part of a free moral being, and as such it must be punished.

Part I of the book discusses the aim of Punishment for Expiation, for Retribution, for Deterrence and for Reformation. The demerits, and above all,